

RESIDENTIAL LIGHTING

NW Energy Efficiency Alliance Market Perspective

ENERGY STAR Lighting Partner Meeting
March 2, 2006





Background

Who is the Northwest Energy Efficiency Alliance?

- A partnership working to increase the availability of affordable, **energy-efficient products and services** to Northwest consumers and businesses.
- A **regional organization** serving the four Northwest states of Idaho, Montana, Oregon and Washington.
- An organization that uses market-based program approaches to meet its goals.





Lighting Market Goals

Big Picture Res. Lighting Goal:

- •ENERGY STAR label becomes a credible differentiator of product quality in CF lighting
- •Increase consumer demand for energy-efficient/compact fluorescent lighting

Short-term CFL Goals (by 2010):

- Annual NW CFL sales increase by 1 million
- Those who have purchased CFLs for the first time plan to make repeat purchases; 85% of CFL purchasers intend to replace CFLs with CFLs

Long-term CFL Goal:

•CFLs will evolve from durable good-type to a commodity and incandescents will be viewed as "old fashioned"





Elements of the NW Residential Lighting Program

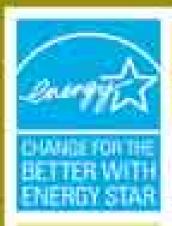
Support new and emerging products

•Examples: PNNL technology procurements and national fixture design competition (Lighting for Tomorrow)

Continue strategic market-based program implementation

- •Focus on CFLs—drive market share via product QA
- •New Construction: Customized approach to connect the builder to the supplier





Market Trends & Barriers

CFLs

- •Sales strong in Northwest; 2005 sales more than 7 million (average almost 2 per household)
- •30% of consumers still haven't purchased
- Price still a barrier in smaller retail channels

Fixtures

- •Sales in larger retail channels demonstrate increased consumer awareness and demand—they have doubled each year since 2003
- Incremental price still a barrier





Strategic Approaches

CFL Promotion Elements:

- •Timed with *Change-A-Light*
- Regional upstream CFL buy-down allows for discount pricing
- •Incentives funded by BPA, Energy Trust of Oregon, utilities
- Builds off of regional Alliance program infrastructure
- Targets products that are most likely to provide good first experience





Strategic Approach, cont.

Goals of Promotion (Savings With a Twist):

- •Give consumers a trial purchase via low price
- Provide broad geographic sales coverage via new distribution channels (e.g., grocery, drug)
- •Allows utilities to claim cost-effective energy savings via leveraged regional program infrastructure
- Targets products for good experience and application





Strategic Approach, cont.

Fixtures Approach:

- •Focus on new construction market—"build it right the first time"
- Program support targeted at builders who purchase from lighting showrooms, utilities provide incentives
- Emphasis on lower prices and increasing availability to the builder market





Closing Thoughts

Energy Efficiency Program perspective on lighting:

- •We've come so far (some progress in fixtures, more with CFLs)
- •Focus efforts on proving consumers with CF lighting that meet their expectations
- •Back to primary goal of saving lighting energy (vs. promotion of one technology over another)





Thank you!

Contact Information:

Marci Sanders, Sr. Manager Residential Sector

Northwest Energy Efficiency Alliance

Msanders@nwalliance.org

